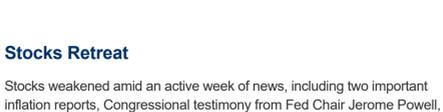


Despite a good start to earnings season and some solid economic data, worries of slower second-half economic growth led to a pullback in stock prices last week.

The Dow Jones Industrial Average fell 0.52%, while the Standard & Poor's 500 lost 0.97%. The Nasdaq Composite index sank 1.87% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, was flat (-0.06%).^{1,2,3}

Market Insights

Market Index	Close	Week	Y-T-D
DJIA	34,687.85	-0.52%	+13.33%
NASDAQ	14,427.24	-1.87%	+11.94%
MSCI-EAFE	2,311.97	-0.06%	+7.66%
S&P 500	4,327.16	-0.97%	+15.20%



Treasury	Close	Week	Y-T-D
10-Year Note	1.31%	-0.06%	+0.38%

Sources: The Wall Street Journal, July 16, 2021; Treasury.gov, July 16, 2021
 Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Friday, July 9, to Friday, July 16, close. Weekly performance for the MSCI-EAFE is measured from Friday, July 9, open to Thursday, July 15, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

Stocks Retreat

Stocks weakened amid an active week of news, including two important inflation reports, Congressional testimony from Fed Chair Jerome Powell, a string of economic reports, and the start of the second-quarter earnings season.

The earnings season began on a strong note as 95% of the first S&P 500 constituent companies to report checked in with "earnings above estimates" by an average of 22%. Despite these above-expectation earnings, stocks moved little on the results.⁴

Bond yields continued to trend lower amid Powell's testimony that monetary policy would remain unchanged. A decline in consumer sentiment fed worries of economic slowdown, leading stock lower and cementing losses for the week.

Hot Inflation

The Consumer Price Index (CPI) jumped 5.4% in June, representing the biggest monthly gain since August 2008. The core CPI, which excludes food and energy, increased 4.5%, which was the fastest pace since September 1991.⁵

The CPI report was followed by the Producer Price Index, which surged 7.3% from a year earlier, outpacing May's jump of 6.6%. Higher wholesale prices were primarily attributed to increased commodity prices and labor costs.⁶

Fed Chair Powell, in Congressional testimony subsequent to these reports, reiterated his position that the accelerated inflation of recent months will be temporary.

This Week: Key Economic Data

- Tuesday:** Housing Starts.
- Thursday:** Jobless Claims, Existing Home Sales, Index of Leading Economic Indicators.
- Friday:** Purchasing Managers Index (PMI) Composite Flash.

Source: Econoday, July 16, 2021
 The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

This Week: Companies Reporting Earnings

- Monday:** International Business Machines (IBM), J.B. Hunt Transport Services, Inc. (JBHT), Prologis, Inc. (PLD).
- Tuesday:** Netflix (NFLX), HCA Healthcare (HCA), Chipotle Mexican Grill, Inc. (CMG).
- Wednesday:** Verizon (VZ), Johnson & Johnson (JNJ), The Coca-Cola Company (KO), United Airlines (UAL), Texas Instruments, Inc. (TXN), CSX Corporation (CSX), Novartis, AG (NVS).
- Thursday:** AT&T (T), Intel Corporation (INTC), Twitter, Inc. (TWTR), Snap, Inc. (SNAP), Abbott Laboratories (ABT), American Airlines (AAL), Southwest Airlines (LUV), Union Pacific (UNP), FreeportMcMoran (FCX), D.R. Horton, Inc. (DHI).
- Friday:** American Express (AXP), Honeywell International (HON), NextEra Energy (NEE), KimberlyClark Corporation (KMB).

Source: Zacks, July 16, 2021
 Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

Randy H. Packett
Chesapeake Capital Management, LLC.
2943 Emmorton Rd
Abingdon, MD 21009

Food for Thought

"Time is the only critic without ambition."
 – John Steinbeck

Tax Tips

Who Can Deduct Car Expenses on Their Tax Returns?

Wondering if you can deduct expenses such as gas, depreciation, and lease payments on your tax returns? If you are a business owner or self-employed individual, you may be able to. If you use your car for both business and personal purposes, the expenses may be split and the deductions will be based on a portion of the mileage used for business.

There are two ways to calculate the car expenses you may be able to deduct. The first method is to calculate and deduct the actual expenses, including depreciation, lease payments, gas and oil, tires, repairs and tune-ups, insurance, and registration fees.

The second is to use the standard mileage rate, which is a rate calculated to represent gas and some of the above factors. In 2021, the standard mileage rate is 56 cents per mile. Taxpayers who want to use the standard mileage rate for a car they own must choose to use this method in the first year the car is available for use in their business.

* This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.

Tip adapted from IRS.gov⁷

Healthy Living Tip

Healthy Summer Tips

Staying healthy this summer will help you enjoy the season even more. Here are some of our favorite healthy summer tips:

- Stay safe in the sun and always wear sunscreen. Use an SPF 30 or above with both UVA and UVB protection. If possible, hang out in shaded areas.
- Challenge your family and friends to some healthy competition, like a game of capture the flag, a scavenger hunt, volleyball, flag football, or dodgeball.
- Eat smart by indulging in a few of your favorite foods, but still making healthy choices. Swap red meat out for chicken, choose fruits and veggies instead of chips and eat sweets sparingly. There are countless healthy barbecue and cookout recipes that are delicious and will still satisfy that summer picnic spirit.

Summer can be a great time to stay active by swimming or playing games and to enjoy some of your favorite healthy bites.

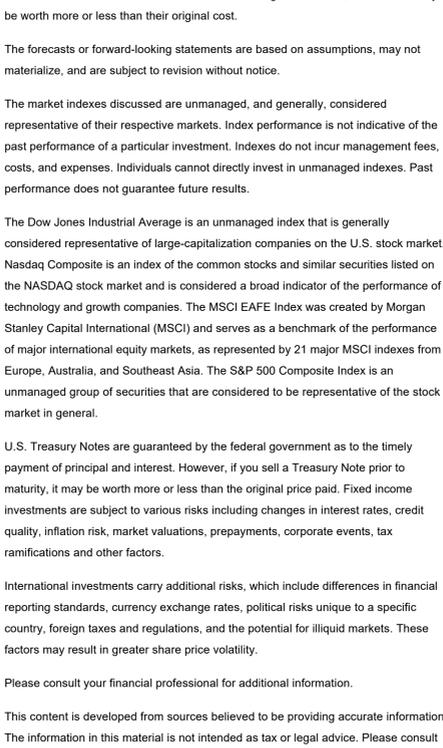
Tip adapted by Prevent Cancer Foundation⁸

Weekly Riddle

If you were running a race, and you passed the person in 2nd place, what place would you be in now?

Last week's riddle: It can be as round as a dishpan, as deep as a tub, and still the oceans couldn't fill it up. What is it? Answer: A sieve.

Photo of the Week



Sunset over Mt. Hood in the Hood River Valley, Oregon.

Find Us On Facebook!

You'll find that as we continue to grow, the service we provide will always reflect the finest personal care we are able to give. Our Facebook page reflects that commitment. Please like us on Facebook for interesting articles, press releases, and videos! We are confident this new tool will prove to be beneficial for you!
To go to our Facebook page, please click [HERE!](#)

Footnotes and Sources

- The Wall Street Journal, July 16, 2021
- The Wall Street Journal, July 16, 2021
- The Wall Street Journal, July 16, 2021
- Earnings Scout, July 15, 2021
- CNBC, July 13, 2021
- Reuters, July 14, 2021
- IRS.gov, February 1, 2021
- Preventcancer.org, July 3, 2019

Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost.

The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice.

The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market.

Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark for the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

This content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. Please consult legal or tax professionals for specific information regarding your individual situation.

This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG is not affiliated with the named representative, financial professional, Registered Investment Advisor, Broker-Dealer, nor state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and they should not be considered a solicitation for the purchase or sale of any security.

Copyright 2021 FMG Suite.

info@chesapeakeccm.com
 4106712260
 Chesapeake Capital Management, LLC

<http://www.chesapeakeccm.com/>



Investment Advisory Services offered through Chesapeake Capital Management, LLC, a Registered Investment Advisor.

No Client or potential client should assume that any information presented or made available on or through this website should be construed as personalized financial planning or investment advice. Personalized financial planning and investment advice can only be rendered after engagement of the firm for services, execution of the required documentation, and receipt of required disclosures. Please contact the firm for further information.

This informational email is an advertisement and you may opt out of receiving future emails. To opt out, please click the "Unsubscribe" link below.

This message was sent by Chesapeake Capital Management, LLC
 4106712260
 2943 Emmorton Road
 Abingdon, MD 21009

[Unsubscribe](#)